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State Housing Programs

State Housing Programs

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Introduction

This paper describes housing services provided by the Wisconsin Department of Administration (DOA) and the Wisconsin Housing and Economic Development Authority (WHEDA). Both DOA and WHEDA assist individuals and families secure and retain accommodations. While other state programs also provide targeted housing services, this paper focuses primarily on housing programs administered by DOA and WHEDA.

The paper is divided into three sections: (a) housing programs administered by DOA; (b) housing programs administered by WHEDA; and (c) appendices that describe summary information

on DOA housing programs (Appendix I), summary information on WHEDA housing programs (Appendix II), housing services provided by other agencies (Appendix III), DOA housing assistance by income (Appendix IV), DOA housing assistance by region (Appendix V), HUD household income limits (Appendix VI), HUD HOME direct grant recipients (Appendix VII), HUD CDGB entitlement municipalities (Appendix VIII), information on the historical activities of WHEDA single-family programs (Appendix IX), and estimated median family income by county for WHEDA programs (Appendix X).

CHAPTER 1

HOUSING PROGRAMS ADMINISTERED BY THE DEPARTMENT OF ADMINISTRATION

The Division of Energy, Housing and Community Resources (DEHCR) within the Department of Administration (DOA) administers several housing programs. These programs are funded with appropriations from the general fund, program revenues, and federal revenues from the U.S. Department of Housing and Urban Development (HUD). Table 1 shows actual expenditures for DOA housing programs in 2021-22.

The Division administers state- and federally-funded programs that ensure the provision of housing and homelessness services to targeted populations; provides grants to local governments, housing organizations, and housing authorities; and coordinates state housing policies and resources under s. 16.302 of the statutes.

Additionally, DOA oversees the Interagency Council on Homelessness, created under 2017 Act 74 to establish and coordinate the implementation of statewide policies on homelessness. In February, 2022, the Interagency Council published its updated statewide action plan with recommendations to prevent and end homelessness in Wisconsin.

DOA Housing Responsibilities

In 2022-23, DEHCR is authorized \$2.6 million and 28.9 positions to administer its housing program responsibilities.

Table 1: DOA Housing Program Expenditures

	2021-22 Actual
Appropriation	
Administration	
General Fund	\$921,600
Federal Revenues	<u>1,610,000</u>
Subtotal Administration	\$2,531,600
Housing Programs	
<i>General Purpose Revenue (GPR)</i>	
Housing Grants and Loans	\$2,558,800
Shelter for Homeless and Housing Grants	1,720,200
Employment Grants Program	<u>0</u>
Subtotal GPR	\$4,279,000
<i>Program Revenues (PR)</i>	
Funding for the Homeless - Interest on Real Estate Trust Accounts (IBRETA)	\$8,300
Housing Program Services - Payments from Other State Agencies	754,600
Housing Program Services - Payments from Non-State Agency Entities	<u>0</u>
Subtotal PR	\$762,900
<i>Federal Revenues (FED)</i>	
Housing - Federal Aid, Individuals and Organizations	\$31,341,600
Housing - Federal Aid, Local Assistance	<u>80,510,800</u>
Subtotal FED	\$111,852,400
Subtotal Housing Assistance Programs	\$116,894,300
Total Housing Administration and Assistance	\$119,425,900

Table 2 lists current housing programs and regulatory activities administered by DOA. For each program, the table lists the state or federal legislation that created the program. Each program is described in one of the following two sections, depending on whether the program is financed with state or federal funds. Appendix I includes a summary of the Division's housing programs, funding sources, and expenditures. Appendix IV shows the number of households assisted by income. Appendix V shows the amount of housing awards by region.

**Housing Programs
Financed with State Funds**

State Funding Overview

The Division is appropriated \$7,200,700 in 2022-23 for state-funded housing assistance. Of this total, \$5,686,400 is from general purpose revenue (GPR). [Note: This excludes \$916,900 for general program operations.]

The Division also receives program revenues from interest on real estate trust accounts and payments from other agencies for housing services.

Housing Grants and Loans

The appropriation for housing grants and loans supports the Housing Cost Reduction Initiative (HCRI) Homebuyer program, the Homelessness Prevention program (HPP), and the Critical Assistance program (CA) and is funded a total of \$6,195,600 GPR during the 2021-23 biennium.

HCRI Homebuyer Program. Under current law, DOA makes grants through the HCRI program to designated agents who, in turn, make individual grants or loans to low- and moderate-income persons. The program is operated under a biennial grant funding cycle, timed to coincide with the awarding of federal HOME homebuyer grant funds. Eligible expenditures include: (a) helping homebuyers purchase affordable homes by providing assistance with down payment and closing costs, insurance, utility costs, property taxes, and fees associated with limited-equity housing cooperatives; and (b) preventing foreclosures by assisting households with overdue mortgage payments, insurance, fees associated with limited-equity housing cooperatives, and property taxes.

The Division awarded \$2,600,000 to 22 grant recipients through a competitive application process in the 2021-23 grant cycle. Table 3 summarizes the number and amount of HCRI Homebuyer program grants from 2013-15 to 2021-23.

Table 2: Housing Programs Administered by DOA

Program/Activity	Enabling Legislation
Housing Grants and Loans Program	1989 Act 31
Shelter for Homeless and Housing Grants	1991 Act 39
Interest-Bearing Real Estate Trust Accounts	1993 Act 33
Employment Grants Program	2017 Act 59
Federal HOME Programs	P. L. 101-625
Emergency Solutions Grant Program	1991 Act 39
Community Development Block Grant - Housing	1991 Act 39
Homeless Case Management Services Program	2017 Act 59
Reports on Bills Affecting Housing	1995 Act 308
Housing Opportunities for Persons with AIDS	P. L. 102-550
Wisconsin Emergency Rental Assistance Program	P. L. 116-260 and 117-2
Wisconsin Help for Homeowners Program	P. L. 117-2

Table 3: State-Funded HCRI Homebuyer Grants

	2013-15	2015-17	2017-19	2019-21	2021-23
Milwaukee Metro Area	\$866,667	\$866,666	\$866,666	\$866,666	\$866,668
Other Metro Areas	866,667	866,667	866,667	866,667	866,666
Other Areas of State	<u>866,666</u>	<u>866,667</u>	<u>866,667</u>	<u>866,667</u>	<u>866,666</u>
Total Grants	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000
Grantees	24	20	18	22	22

Homelessness Prevention Program. The Division grants \$1,515,000 GPR annually to agencies for HPP and utilizes the grants as a match for federally-funded Emergency Solutions Grants, described in a subsequent section. Eligible uses of HPP grants include: (a) housing payments (rent, security deposits, utilities, and moving costs); and (b) housing relocation and stabilization services. In 2022-23, the Division awarded \$1,515,000 to 23 agencies. The grants were distributed as follows: (a) \$259,700 to agencies in the Milwaukee metropolitan area; (b) \$784,300 to agencies in other metropolitan areas; and (c) \$471,000 to agencies in other parts of the state.

Table 4 summarizes the number and amount of Homelessness Prevention Program grants from 2013-14 to 2022-23.

Table 4: Homelessness Prevention Grants

Fiscal Year	Grantees	Amount
2013-14	31	\$1,527,900
2014-15	44	1,503,700
2015-16	37	1,515,000
2016-17	25	1,515,000
2017-18	24	1,515,000
2018-19	22	1,499,800
2019-20	24	1,515,000
2020-21	23	1,515,000
2021-22	23	1,515,000
2022-23	23	1,515,000

Critical Assistance Program. Under current law, the Critical Assistance (CA) program funds homelessness prevention activities in parts of the state not served by federal Emergency Solutions

Grants or other state programs. Eligible uses of funds include direct assistance for security deposits, rent, mortgage payments, property tax payments, and utilities payments. Grants under this program are awarded annually to one eligible applicant. The grantee in 2022-23 is the Foundation for Rural Housing, Inc. Table 5 summarizes the amount of CA grants from 2013-14 to 2022-23.

Table 5: Critical Assistance Grants

Fiscal Year	Amount
2013-14	\$283,600
2014-15	282,800
2015-16	282,800
2016-17	282,800
2017-18	282,800
2018-19	282,800
2019-20	282,800
2020-21	282,800
2021-22	282,800
2022-23	282,800

Shelter for Homeless and Housing Grants

The Shelter for Homeless and Housing Grants appropriation supports the Housing Assistance Program (HAP) and the State Shelter Subsidy Grant (SSSG) Program and is funded a total of \$5,027,200 during the 2021-23 biennium. The statutes do not specify the allocation of funds between the two programs.

Housing Assistance Program. The Division provides up to \$900,000 per year in HAP grants to local units of government, nonprofit organizations, for-profit organizations, and other entities for the operation of housing and associated supportive services for individuals experiencing

homelessness. Funding for the program was increased from \$300,000 to \$900,000 under 2021 Act 58. The purpose of the grants is to facilitate the movement of homeless persons to independent living. Funds are awarded annually as a match for federally-funded Emergency Solutions Grants, described under a subsequent section.

To be eligible for grants under HAP, an organization must meet the following statutory requirements: (a) utilize, as housing sites, only existing buildings; (b) facilitate the utilization of appropriate community social services by residents; (c) provide or facilitate the provision of training in self-sufficiency to residents; and (d) require that residents pay at least 25% of their income as rent.

In 2022-23, HAP funds totaling \$900,000 were granted to four agencies. Funds were awarded to one agency in Milwaukee County, one agency in Dane County, one agency in Racine County, and one agency serving all other areas of the state.

Table 6 shows the number of grantees and grant amounts from 2013-14 to 2022-23.

Table 6: Housing Assistance Program Grants

Fiscal Year	Grantees	Amount
2013-14	16	\$307,800
2014-15	14	300,000
2015-16	17	297,500
2016-17	15	300,000
2017-18	12	300,000
2018-19	12	300,000
2019-20	4	300,000
2020-21	4	300,000
2021-22	4	900,000
2022-23	4	900,000

State Shelter Subsidy Grant Program. Under the SSSG Program, funding of up to \$1,613,600 GPR annually is provided for grants to local units of government, nonprofit organizations, for-profit organizations, federally-recognized tribes or bands, and other entities for shelter operations. The program is funded from GPR and program revenue from the Interest-Bearing Real Estate Trust Accounts (IBRETA).

Grants may not exceed 50% of the applicant's operating budget. Under statute, each year DOA is required to allocate at least: \$400,000 to eligible applicants in Milwaukee County; \$66,500 to eligible applicants in Dane County; and \$100,000 to applicants elsewhere in the state. No more than \$183,500 of the remaining funds may be allocated for grants to eligible applicants without regard to their location. In awarding grants, DOA must also consider whether the community in which the applicant provides services has a coordinated system of services for individuals and families experiencing homelessness.

The Interest-Bearing Real Estate Trust Accounts program is funded from earnings on interest-bearing real estate common trust accounts. The IBRETA program requires real estate brokers and salespersons in Wisconsin to deposit down payments, earnest money, and similar types of real estate payments in a pooled interest-bearing trust account in a depository institution. Annually, each depository institution must remit the total amount of interest or dividends in excess of \$10, less service charges or fees, earned on these accounts to DOA. These earnings are credited to a program revenue continuing appropriation. From the appropriation, DOA is required to make grants to organizations that provide shelter or services to individuals or families experiencing homelessness.

Table 7 indicates the net common trust account earnings collected and transferred for provision of

Table 7: Interest-Bearing Real Estate Trust Accounts Earnings

Calendar Year	Interest Earnings
2013	\$20,400
2014	17,300
2015	18,500
2016	23,600
2017	26,400
2018	32,000
2019	37,800
2020	48,300
2021	41,000
2022*	27,400

*Through September 30, 2022.

shelter or homeless services since 2013. Historically, the Department has used IBRETA funds to enhance the Housing Assistance Program, the State Shelter Subsidy Grant Program, the Homelessness Prevention Program, and the Emergency Solutions Grant Program.

Grants under SSSG are supplemented with funds from the IBRETA program. The Division supplemented SSSG with IBRETA funding of \$9,600 in 2021-22. Table 8 summarizes grant activity under SSSG from 2013-14 to 2021-22.

Employment Grants Program

The Employment Grants Program, created under 2017 Act 59, provides employment grants to municipalities that administer a homeless employment program. Grants are used to connect individuals experiencing homelessness with permanent employment. Any municipality may apply for a grant of up to \$75,000, and each recipient must contribute at least \$10,000 of its own funds and use both the grant and the contribution to connect homeless persons with permanent employment.

The program is allocated \$75,000 GPR annually during the 2021-23 biennium. No grants were made in 2020-21. In 2021-22, \$75,000 was awarded to Milwaukee County.

Table 8: State Shelter Subsidy Grant Program, GPR and IBRETA Funds

Fiscal Year	Milwaukee County	Dane County	Other Areas of State	Grantees	Total Grants
2013-14	\$400,000	\$175,500	\$559,100	38	\$1,134,600
2014-15	400,000	171,900	561,700	43	1,133,600
2015-16	400,000	170,900	562,700	42	1,133,600
2016-17	400,000	169,000	554,600	42	1,123,600
2017-18	400,000	164,800	564,800	41	1,129,600
2018-19	400,000	145,400	587,200	40	1,132,600
2019-20	475,900	272,300	942,300	37	1,690,500
2020-21	469,000	276,000	874,200	43	1,619,200
2021-22	474,600	332,200	816,400	46	1,623,200

Housing Programs Financed with Federal HOME Funds

Federal HOME Program Initiatives

The federal Department of Housing and Urban Development (HUD) provides funding for the HOME Investment Partnership Program (HOME) to support initiatives for greater housing opportunities, including building, buying, and rehabilitating housing for rent or homeownership and providing direct rental assistance to low-income individuals.

To qualify for owner-occupied assistance, household income must not exceed 80% of the county median income, as determined by HUD. For rental assistance, at least 90% of benefiting families must have incomes at or below 60% of the county median income. The remaining 10% of benefiting families must have incomes at or below 80% of county median income. The income limits for 2022 by county are shown in Appendix VI.

Table 9 summarizes the grant amounts awarded under each of the HOME program components from FFY 2018 to FFY 2021.

In addition to federal funding received by the state for the HOME program, some municipalities receive federal funds directly from HUD. These are called HOME participating jurisdictions, and include: (a) the cities of Eau Claire, Green Bay, Janesville, Kenosha, La Crosse, Madison, Milwaukee, and Racine; (b) the counties of Milwaukee and Dane; and (c) a consortium of Jefferson, Ozaukee, Washington, and Waukesha Counties. Nationwide, HUD allocates 40% of HOME program funds to states, which sub-grant funds to local units of government, and 60% directly to participating jurisdictions. These communities are shown in Appendix VII.

Table 9: Federal HOME Programs -- Grant Awards by Program

Program	FFY 2018	FFY 2019	FFY 2020	FFY 2021
Homebuyer and Rehabilitation				
Number of Grantees	16	16	16	15
Amount of Grants	\$4,278,200	\$3,948,600	\$4,190,000	\$4,230,000
Number of Housing Units Assisted	215	139	94	93
Average Per-Unit Grant Amount	\$19,899	\$28,407	\$44,574	\$45,484
Rental Housing Development				
Number of Awards	5	11	3	5
Amount of Grants	\$1,452,800	\$5,333,800	\$3,442,500	\$4,873,200
Number of Housing Units Assisted	104	100	32	52
Average Per-Unit Grant Amount	\$13,969	\$53,338	\$107,578	\$93,715
Tenant-Based Rental Assistance				
Number of Grantees	8	15	15	15
Amount of Grants	\$1,885,500	\$5,359,200	\$6,455,300	\$6,616,700
Number of Households Assisted	335	621	2,059	2,487
Average Per-Household Grant Amount	\$5,628	\$8,630	\$3,135	\$2,661

A description of each of the initiatives funded under the federal HOME program is provided in the following sections.

Homebuyer and Rehabilitation Program

A total of \$4.2 million annually in FFYs 2020 and 2021 was awarded from federal HOME program funds to assist homebuyers and homeowners. State-funded HCRI amounts are combined with federal HOME program funds through a coordinated application process.

Grants under the homebuyer component of the HOME program are awarded to local organizations that operate homebuyer programs for qualifying low-income households. Funds are available for housing rehabilitation expenses, acquisition costs (such as down payments and closing costs), or construction expenses for single family, owner-occupied dwellings.

Eligible projects include energy-related improvements, accessibility improvements, lead-based paint hazard reduction, and repair of code violations.

Rental Housing Development Program

A total of \$3.4 million in FFY 2020 and \$4.9 million in FFY 2021 was awarded from federal HOME program funds for the development of new or rehabilitated rental units.

Community housing development organizations, public housing authorities, nonprofit organizations, and private developers are eligible to apply for rental housing development funds. Restrictions apply as to the maximum income levels of residents, the maximum rent that may be charged, the period of affordability compliance, and the maximum subsidy amount per unit.

The rental rehabilitation component of the program provides grants and loans for up to 75% of the cost of repairs and improvements to rental units leased to low-income persons.

Tenant-Based Rental Assistance Program

A total of \$6.5 million in FFY 2020 and \$6.6 million in FFY 2021 was awarded from federal HOME program funds for the Tenant-Based Rental Assistance program (TBRA). Under TBRA, qualifying individual households receive direct rent

subsidy assistance to support costs such as rent, utility costs, security deposits, and utility deposits.

In FFY 2021, the Division awarded funds to 15 agencies which serve 58 counties, including: Adams, Ashland, Barron, Bayfield, Brown, Buffalo, Burnett, Calumet, Chippewa, Clark, Columbia, Crawford, Dodge, Door, Douglas, Dunn, Eau Claire, Florence, Fond du Lac, Forest, Green Lake, Iron, Jackson, Juneau, Kenosha, Kewaunee, La Crosse, Langlade, Lincoln, Manitowoc, Marathon, Marinette, Marquette, Menominee, Monroe, Oconto, Oneida, Outagamie, Pepin, Pierce, Polk, Portage, Price, Rusk, Sauk, Sawyer, Shawano, Sheboygan, St. Croix, Taylor, Trempealeau, Vernon, Vilas, Washburn, Waupaca, Waushara, Winnebago, and Wood counties.

Program Income

Loan repayments from clients with loans made in connection with the HOME rental rehabilitation program may be used by HOME grantees in combination with current grant funding. Grantees benefiting from any repayments must use such funding before expending new allocations. Program repayment income received from 2013-14 to 2021-22 is shown in Table 10.

Table 10: HOME Program Repayment Income

State Fiscal Year	Amount
2013-14	\$957,400
2014-15	1,483,800
2015-16	953,400
2016-17	1,373,900
2017-18	1,243,100
2018-19	1,897,200
2019-20	1,052,500
2020-21	7,296,200
2021-22	4,677,400

Housing Programs Financed with Other Federal Funds

Emergency Solutions Grant Program

The Department of Administration is the HUD-designated state agency responsible for distributing federal funds under the Emergency Solutions Grant (ESG) program. Eligible applicants include cities, counties, and private nonprofit agencies.

Grants may be used for the following: (a) street outreach to unsheltered individuals and families; (b) emergency shelter, including shelter operations and renovations of existing buildings; (c) homelessness prevention, including rental assistance; (d) rapid re-housing, including rental assistance, rental arrears, application fees, security deposits, and utility payments; and (e) database costs, such as for management of the homeless management information system. In addition, up to 7.5% of grants may be used for program administration.

To receive ESG funds, each recipient must match its emergency solutions grant with an equal amount of funds from other sources. The state-funded HPP and HAP programs may be utilized for the match, and applicants may apply for ESG through one consolidated application for all three programs.

In March, 2020, the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act provided an additional \$32.5 million in one-time ESG funds to the state. The state has until September 30, 2023, to spend the supplement, excluding administration funds and homeless management information system funds needed for closeout, which can be spent through December 31, 2023. As of September, 2022, the state has spent \$29,992,800 of the supplement. The CARES Act

exempted the funding supplement from the program's match requirements.

Table 11 summarizes Emergency Solutions Grant activity from FFY 2013 to FFY 2022.

Table 11: Emergency Solutions Grant Program

FFY	Grantees	Amount of Grants	Average Grant Amount
2013	27	2,558,500	\$94,759
2014	25	3,111,600	124,464
2015	32	3,194,900	99,841
2016	25	3,290,900	131,636
2017	24	3,294,900	137,288
2018	22	3,304,000	150,182
2019	24	3,398,500	141,604
2020*	39	34,990,600	897,196
2021	24	3,523,200	146,802
2022	24	3,385,100	141,046

*Includes funding provided under the federal CARES Act.

Community Development Block Grant Program

The Department of Administration is responsible for administering the federal Community Development Block Grant (CDBG) program. Under the CDBG program, federal funds are provided to municipalities for activities such as rehabilitation of residential and non-residential structures, construction of and improvements to public facilities, and economic development. The Department may allocate funds between CDBG activities based on need. Federal guidelines also allow the state to retain \$100,000 and up to 3% of its annual CDBG allocation for administrative costs and technical assistance associated with the program. Amounts expended on administration in excess of \$100,000 must be matched by the state.

Eligible applicants for state CDBG funds include most counties, cities, villages, and towns with populations under 50,000. Municipalities with populations of 50,000 or more and Dane, Milwaukee, and Waukesha Counties are deemed "entitlement municipalities" and receive CDBG

funds directly from HUD. Consequently, these entitlement municipalities (listed in Appendix VIII) are generally not eligible for state CDBG funds.

In March, 2020, the CARES Act provided an additional \$77.7 million in CDBG-Coronavirus funds to communities in Wisconsin. The federal government provided \$33.7 million directly to entitlement communities, while the state received \$44.0 million for grants to entitlement and non-entitlement communities, and for program administration. The state has until July 20, 2027, to spend the supplement. The state has spent \$6,765,200 of the supplement as of September, 2022.

Table 12 summarizes the amount of CDBG funding received by the state from FFY 2013 to FFY 2022 and the amounts allocated to the housing rehabilitation component of the program in each year. Funds provided by HUD directly to entitlement communities listed in Appendix VIII are not included in Table 12.

Table 12: CDBG Program -- Total Funding and Allocations for Housing Rehabilitation

FFY	Total Block Grant	Amount Allocated for Housing Rehabilitation
2013	\$24,885,100	\$11,948,600
2014	24,646,700	8,576,500
2015	16,701,000	4,175,300
2016	24,713,100	5,967,900
2017	24,391,600	3,534,000
2018	26,639,900	3,861,100
2019	26,611,600	6,171,200
2020*	71,421,400	7,682,900
2021	24,201,500	6,778,900
2022	23,310,600	6,528,300

*Includes funding provided under the federal CARES Act.

CDBG: Small Cities Housing Revolving Loan Fund. The CDBG Small Cities Housing Program funds are used for housing rehabilitation projects, homebuyer assistance, and small neighborhood public facility projects. Eligible activities include

(a) rehabilitation of dwelling units; (b) homeownership opportunities for renters; (c) acquisition of property to be used for low- and moderate-income housing; and (d) site improvements for the construction of low- and moderate-income housing. Grants for rehabilitation projects are made by DOA to seven housing regions throughout the state, which then provide deferred, no- or low-interest loans to individual applicants. These loans are made to households at or below 80% of the county median income and to landlords who rent units to qualifying households. In 2021-22, the average cost per housing unit rehabilitated under the program was approximately \$30,200.

Housing rehabilitation loans are due when the title changes, when the home ceases to be the owner's primary residence, or when the property is sold. Once loans are repaid, they are identified as CDBG housing revolving loan funds. Local governments must expend revolving loan funds before using new grant funds. In 2020-21, revolving loan fund receipts of \$5,311,700 assisted 210 households and in 2021-22, revolving loan fund receipts of \$3,385,800 assisted 184 households.

It should be noted that HUD funding also previously supported revolving loan funds for economic development through the CDBG program (CDBG ED RLF). In June, 2018, DOA began the process of closing the CDBG economic development program due to concerns about monitoring and oversight. However, the closure did not affect the CDBG housing revolving loan fund.

After the closure of the economic development revolving loan fund, the CDBG-CLOSE program was created as a way for units of general local government with CDBG ED RLF funds to gain non-competitive access to the funds as grants. Local governments that buy out all outstanding loans may apply for up to three projects totaling the amount of the RLF closeout account, while those who do not may apply for up to two projects. Local governments may also apply for one additional planning project.

CDBG: Emergency Assistance Program. The Department has the discretion to use CDBG Emergency Assistance Program (CDBG-EAP) funds for awards to local units of government to repair property damaged by a natural or man-made disaster. Generally, the maximum request is \$500,000. Applications are evaluated based on the nature of the emergency, availability of funds, other mitigating circumstances, and the ability of the applicant to finance the activity on its own or with other sources. Affected communities have 90 days to submit a letter of intent to apply for assistance following a disaster.

To be eligible, property owners may have incomes up to 80% of county median income. The CDBG-EAP funds may be used to address housing damage not covered by insurance. Eligible activities may include: (a) repair of damage to the dwelling unit; (b) acquisition and demolition of dwellings that cannot be repaired; (c) housing replacement in situations where repairs would cost more than 50% of the fair market value; (d) repairs to public facilities and infrastructure; and (e) to assist businesses.

In 2020-21, \$819,200 in CDBG-EAP funds were awarded to the Village of Rock Springs in Sauk County. In 2021-22, no awards were made.

Homeless Case Management Services Program

Under 2017 Act 59, the Homeless Case Management Services (HCMS) program was created under DEHCR. The program is authorized to support 10 annual grants of \$50,000 to shelter facilities to provide intensive case management services to families experiencing homelessness. The program is allocated \$500,000 FED annually during the 2021-23 biennium from Temporary Assistance for Needy Families (TANF) block grant funds.

The following are eligible uses of funds: (a) financial management services; (b) employment services, including connecting parents with their

local workforce development board and assisting them with using the Department of Workforce Development's website; (c) services intended to ensure continuation of school enrollment for children; and (d) services to enroll unemployed or underemployed parents in the Wisconsin Works program. Allowable uses also include partnerships between local governments, religious organizations, local businesses, and charitable organizations that deliver housing relocation services.

In 2021-22, the Division awarded \$50,000 each to the following grantees: Community Advocates Milwaukee, Central Wisconsin Community Action Council, Inc., Freedom House Green Bay, Homeless Assistant Leadership Organization, Inc., House of Hope Green Bay, Renewal Unlimited, Inc., Salvation Army-Dane County, Turningpoint, Western Dairyland EOC, Inc., and YWCA Madison.

Housing Opportunities for Persons with AIDS Program

The federal Housing Opportunities for Persons with AIDS (HOPWA) program provides resources to meet the housing needs of persons (and the families of persons) living with acquired immunodeficiency syndrome (AIDS) or related diseases. Wisconsin is an eligible applicant because the state has more than 2,000 AIDS cases and has an approved consolidated plan for AIDS services.

Funds may be used to provide resources to prevent homelessness among persons living with AIDS. This assistance may include emergency housing, shared housing arrangements, and permanent housing placement. As part of any HOPWA-assisted housing, appropriate support services must also be provided. Non-housing related support services may include those related to: health care, drug and alcohol abuse treatment, day care, and assistance in gaining access to governmental benefits. Table 13 summarizes the grant distributions under the HOPWA program from FFY 2013 to FFY 2022.

Table 13: HOPWA Grant Distributions*

FFY	Grant
2013	\$449,500
2014	466,600
2015	468,800
2016	461,400
2017	525,800
2018	595,600
2019	672,900
2020**	864,800
2021	851,000
2022***	0

*Grants are for Wisconsin counties outside of the Milwaukee metropolitan area, excluding Pierce and St. Croix Counties, which are in the Minneapolis-St. Paul area.

**Includes funding provided under the federal CARES Act.

***As of December, 2022, no distribution had been made; however, the program made a grant award of \$934,600.

Further, in March, 2020, the CARES Act provided the state with a one-time supplement of \$113,700 for HOPWA. The state has spent the full amount.

Wisconsin Rental Assistance Program

The CARES Act created a Coronavirus Relief Fund (CRF) to distribute money directly to state, local, tribal, and territorial governments based on population. Wisconsin received \$2.0 billion from the CRF in April, 2020. The CARES Act provided requirements for the use of CRF funds, and additional guidance was provided by the U.S. Department of Treasury. For example, funds must be used for expenses incurred in response to the pandemic and may not be used to replace lost revenue. The funds must be spent between March 1, 2020, and December 31, 2022.

In May, 2020, DOA announced the creation of a \$25 million Wisconsin Rental Assistance Program (WRAP) to be funded by a portion of the CRF. In October, 2020, DOA announced an additional \$10 million allocation from the CRF for WRAP. Under the program, residents with household income at or below 80% of their county's median income could apply for direct financial

assistance with rent or security deposit payments. Eligible residents could receive up to \$3,000 in total, paid directly to landlords on their behalf. In the 2019-21 biennium, a total of \$28,390,400 in WRAP funds assisted 17,747 households. The program ended on December 11, 2020.

The Department partnered with 16 organizations to process applications and provide assistance. The local organizations were: (a) ADVO-CAP (Calumet, Fond du Lac, Green Lake, and Winnebago counties); (b) CAP Services, Inc. (Marquette, Outagamie, Portage, Waupaca, and Waushara counties); (c) Central Wisconsin CAC, Inc. (Adams, Columbia, Dodge, Juneau, and Sauk counties); (d) Community Action of Rock and Walworth Counties (Rock and Walworth counties); (e) Community Action for South Central Wisconsin, Inc. (Dane, Jefferson, and Waukesha counties); (f) Indianhead CAA (Burnett, Clark, Rusk, Sawyer, Taylor, and Washburn counties); (g) Lakeshore CAP (Door, Kewaunee, Manitowoc, and Sheboygan counties); (h) NEWCAP, Inc., (Brown, Florence, Forest, Langlade, Marinette, Menominee, Oconto, Oneida, Shawano, and Vilas counties); (i) North Central CAP (Lincoln, Marathon, and Wood counties); (j) Northwest CSA (Ashland, Bayfield, Douglas, Iron, and Price counties); (k) Racine/Kenosha CAA (Racine and Kenosha counties); (l) Social Development Commission (Milwaukee, Ozaukee, and Washington counties); (m) Southwest CAP (Grant, Green, Iowa, Lafayette, and Richland counties); (n) West CAP (Barron, Chippewa, Dunn, Pepin, Pierce, Polk, and St. Croix counties); (o) Western Dairyland EOC (Buffalo, Eau Claire, Jackson, and Trempealeau counties); and (p) Couleecap, Inc. (Crawford, La Crosse, Monroe, and Vernon counties).

Wisconsin Emergency Rental Assistance Program

In February, 2021, the Governor announced the creation of the Wisconsin Emergency Rental Assistance Program (WERA) in response to the

loss of income for rental households during the COVID-19 pandemic. The program provides direct financial assistance for: (a) up to 12 months of rent (plus an additional three months based on need and available funding); (b) utility and home energy costs; (c) existing household arrears; and (d) other expenses related to housing (such as security deposits and moving costs).

To be eligible for assistance, one or more members of the household must: (a) qualify for unemployment or have experienced a reduction of income, major costs, or financial hardship during the COVID-19 pandemic; and (b) demonstrate a risk of being evicted or experiencing housing instability or homelessness. The household must have an income at or below 80% of the area median income.

Funding for WERA is provided through two separate allocations: ERA1 funds from the Federal Consolidated Appropriations Act, 2021, enacted in December, 2020; and ERA2 funds from emergency rental assistance provided under the American Rescue Plan Act (ARPA), enacted in March, 2021. If a combination of ERA1 and ERA2 funding is used, payments may be made for a maximum of 18 months. The net total of allocations to the state for ERA1 and ERA2 is \$334,197,300 (\$322,174,000 for ERA1 and \$281,247,400 for ERA2 were initially allocated, and \$163,224,200 of ERA1 funding and \$106,000,000 of ERA2 funding was subsequently reallocated by the Department of Treasury to local governments in Wisconsin). In addition, ERA1 and ERA2 funding was allocated directly by the Department of Treasury for Brown, Dane, Milwaukee, and Waukesha Counties, and the Cities of Madison and Milwaukee as follows, including the reallocations from the state: \$227,827,700 in ERA1 funding and \$173,156,900 in ERA2 funding.

The Department of Administration expended and obligated state ERA1 funding of \$158,945,800, including administrative expenses, to assist 42,671 households. The allocation of

ERA1 funds expired on September 30, 2022, and will be closed out by January 31, 2023. Through September 30, 2022, the Department expended and obligated state ERA2 funding of \$92,437,600, including administrative expenses, to assist 21,041 households. The allocation of ERA2 funding may be utilized through September 30, 2025.

Wisconsin Help for Homeowners Program

The American Rescue Plan Act created the Homeowner Assistance Fund (HAF), which allocated Wisconsin \$92,705,300. This funding was used to create the Wisconsin Help for Homeowners program.

The Wisconsin Help for Homeowners (WHH) program provides housing grants to owner-occupied households who have experienced a financial hardship since January 21, 2020. Under the program, a financial hardship is defined as a material reduction in income or a material increase in living expenses associated with the COVID-19 pandemic that has caused or increased the risk of mortgage delinquency, mortgage default, foreclosure, loss of utilities or home energy services, or displacement of the homeowner. Eligible expenses include mortgage and interest payments, real estate taxes, and fees (such as homeowners association fees) for primary residences.

In 2021-22, WHH funds totaling \$6,395,300 assisted 1,315 households. Between July 1, 2022, and November 30, 2022, WHH funds totaling \$18,816,300 assisted 2,482 households. Funding is available through September 30, 2025, or until funds are depleted.

Safe Shelter and Homelessness Grants

In November, 2021, the Governor announced \$6 million for the Safe Shelter and Homelessness

Grants (SSHG) program. Under SSHG, the state provides grants to address homelessness and provide shelter for individuals experiencing short- or long-term housing instability during the winters of 2021-22 and 2022-23. Specifically, the program provides funding to homelessness shelters, domestic abuse shelters, and youth homelessness and runaway centers. The grants are funded by ARPA, which created a State Fiscal Recovery Fund (SFRF) to distribute discretionary funds directly to state governments. The program consists of two allocations of SFRF funds: \$4 million allocated to DOA for grants to shelters; and \$2 million allocated to the Department of Children and Families for runaway and homeless youth grants, further described in Appendix III. In 2021-22, DOA provided \$3,263,900 to 42 grantees. As of December, 2022, grants have not been distributed for 2022-23, but the Department indicates that grants will be awarded during the winter. States must fully obligate SFRF allocations by December 31, 2024, and the funds must be fully expended by December 31, 2026.

Veterans Rental Assistance Program

In October, 2022, the Governor announced the creation of the Veterans Rental Assistance Program (VRAP) based on recommendations from the Blue Ribbon Commission on Veteran Opportunity, to address challenges faced by Wisconsin veterans. The program was created in response to the loss of income for veteran rental households during the COVID-19 pandemic. To be eligible, veterans must be Wisconsin residents with a household income at or below 80% of the area median income. Recipients may receive up to \$10,000 in rental assistance. The program is allocated \$2,000,000 from the SFRF created under ARPA. The Department began accepting applications in December, 2022.

*WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT
AUTHORITY HOUSING PROGRAMS*

The Wisconsin Housing and Economic Development Authority (WHEDA's) housing programs include multiple financing products for single-family and multifamily structures. WHEDA offers single-family residential loans using mortgage revenue bonds. Several second-mortgage programs are financed through WHEDA's general reserves or other Authority funds. Multifamily programs are financed by mortgage revenue bonds and WHEDA general reserves. The Authority also administers state and federal tax credits and federal funding for low-income households. These and other programs are described in this chapter. A summary table of WHEDA housing programs is available in Appendix II.

Single-Family Housing Programs

The following section discusses a variety of existing single-family housing programs, including their financing and eligibility requirements. For detailed information about a specific program's eligibility criteria, such as county-specific income limits, please see WHEDA's website. A summary table of WHEDA housing programs is available in Appendix II, Appendix IX provides a summary of major single-family housing program activity since 2009, and Appendix X lists median income by county and federally designated target areas of economic distress.

It should be noted for the following program descriptions that income eligibility for certain

WHEDA loans is based on provisions in the Internal Revenue Code, which generally specifies a limit of 115% of state or area median income. However, other adjustments under federal law may allow for higher income limits than suggested by a strict application of that percentage. County-specific income limits by program are available on WHEDA's website.

Mortgage Programs

WHEDA operates several first-mortgage programs to provide mortgage loans to low- and moderate-income households. WHEDA mortgage loans seek to increase access to the positive economic benefits of homeownership in groups that otherwise would not be able to secure conventional mortgages due to perceived higher risk profiles or lower profit margins that tend to discourage commercial mortgage lenders from extending significant financing to these groups.

WHEDA issues revenue bonds to fund its first-mortgage programs, which it repays with principal and interest repayments from mortgages it issues. Mortgages with preferential rates, discussed later, are financed through tax-exempt bonding under the federal volume cap and thus subject to more stringent income and other eligibility requirements. Mortgage financing is also supported by the Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), and the Government National Mortgage Association (Ginnie Mae), which for certain mortgage programs will facilitate the conversion of pooled WHEDA mortgages to mortgage-backed securities and/or guarantee such

mortgage-backed securities. (While WHEDA has approval for Freddie Mac-supported mortgages, it does not currently issue such mortgages.) WHEDA either holds these mortgage-backed securities, or sells them to private investors. The result of Fannie Mae, Freddie Mac, and Ginnie Mae participation is that WHEDA avoids certain pricing and other market risks associated with holding individual mortgages, and maintains liquidity for issuance of further mortgage loans. Regardless of the final owner of WHEDA mortgage debt, WHEDA maintains servicing responsibilities for its mortgages, and as of June 30, 2022, WHEDA services approximately 25,500 mortgages with a total portfolio size of \$1.8 billion.

WHEDA mortgages are provided with 30-year terms at a fixed interest rate and no prepayment penalties. Borrowers must: (a) be legal U.S. residents with a Social Security number; (b) occupy the property for the term of the loan; (c) meet a minimum credit score threshold; (d) purchase mortgage insurance for loans below certain loan-to-value ratios; (e) have a loan-to-value ratio that does not exceed 95% to 97%, depending on property type; (f) meet purchase price limits; and (g) meet income limits based on county median household income. Detailed eligibility requirements and program information may be found on WHEDA's website.

In addition to its conventional mortgage programs (WHEDA Advantage and Advantage-FHA), WHEDA offers preferential rate mortgages to first-time homebuyers (FTHB Advantage), veterans (VALOR), and purchasers of property in federally designated target areas of economic distress. While preferential rate programs have more favorable interest rates, these are paired with more stringent income limits, which range from approximately \$91,000 to \$115,300 in 2022 for a household of two, depending on county median income. Conventional mortgage program income limits ranged from approximately \$104,700 to \$132,600 for a household of two during the same

period. Appendix X lists county median income and federally designated target areas of economic distress. WHEDA also offers refinancing (Refi Advantage) for mortgages it has issued, provided borrowers have good credit, sufficient equity in the property, are not delinquent on property taxes, and the loan has not been modified within the last two years.

WHEDA issued 2,174 first mortgages for \$341.5 million in 2021 and 638 for \$102.8 million in 2022 through June 30. Appendix IX provides a summary of single-family program activity since 2009 for each mortgage program.

WHEDA Tax Advantage

WHEDA Tax Advantage provides a nonrefundable federal income tax credit for mortgage interest equal to 25% of interest payments for first-time homebuyers and veterans, and 40% of interest payments for those in federally designated areas of economic distress, up to \$2,000 per year. The program converts unused federal volume cap for tax-exempt bonding that would otherwise expire into mortgage credit certificates (MCCs).

Participants are bound by the same income and purchase price limits as those receiving a first-time homebuyer or veteran preferential rate on a WHEDA mortgage. At least 20% of MCCs must be reserved for federal target areas. Borrowers claim the credit annually over the life of their 30-year mortgage, and may carry over unused credits for up to three years. The program acts as a companion to the mortgage interest deduction, which must be reduced by any amount claimed with MCCs. Upon sale of a residence, participants are subject to federal recapture of tax credits, although borrowers under WHEDA mortgages are eligible for WHEDA repayment of the recapture tax. Although WHEDA issues MCCs as the state housing finance agency, MCC recipients are not required to have a WHEDA mortgage. Table 14 provides a summary of MCC issues from 2015 to present.

Table 14: Mortgage Credit Certificates

Year	MCCs Issued	MCC Amount (Life of Loan)
2015	331	\$10,451,807
2016	220	7,605,508
2017	209	7,432,913
2018	146	5,594,984
2019	156	6,217,024
2020	98	1,847,473
2021	63	2,991,253
2022*	<u>30</u>	<u>1,378,056</u>
Total	1,253	\$45,808,400

*As of June 30, 2022.

Second-Mortgage Programs

Home Improvement Financing. WHEDA offers the Home Improvement Advantage program (Housing Rehabilitation Loan Program) to support financing for improvements to existing homes. Eligible improvements include: remodeling, home repair, making a home accessible to persons with disabilities, energy-efficient appliances, and energy efficiency improvements.

In addition, 2021 Wisconsin Act 221 created workforce housing rehabilitation loans also funded by the program. Eligible rehabilitation activities include removal of lead paint or the following types of structural improvements: (a) repairing or replacing a heating system, electrical system, plumbing system, roof, window, or exterior door; (b) repairing the foundation; and (c) repairing or replacing insulation or siding. Under the workforce housing rehabilitation loan program, the applicant's home must be a single-family residence occupied by the owner and constructed before 1980. Beginning in January, 2023, loans may be for up to \$50,000 and have a maximum term of 15 years. The applicant must also meet certain income requirements and agree to pay the loan upon selling or otherwise transferring title to the residence to another person or upon the applicant and their family vacating the residence. WHEDA is authorized to establish an interest rate below market levels or may charge no interest for these loans.

WHEDA is authorized up to \$100 million in outstanding revenue bonds under the housing rehabilitation program, but none are outstanding. Instead, loans are funded by the home improvement loan fund. As of June 30, 2022, the fund had a balance of \$10.7 million, with assets of \$11.5 million, liabilities of \$0.8 million, and program encumbrances of \$10.7 million. WHEDA is required to transfer annually any unencumbered excess balance to the Wisconsin Development Reserve Fund for certain economic development loan guarantees. On the basis of the fund condition as of June 30, 2022, WHEDA determined no transfer to the WDRF was required.

The predecessor program to the Home Improvement Advantage made 15,212 loans totaling \$102.8 million between the program's inception in 1979 and its suspension in April, 2008. In 2009 the program resumed under new branding and its current name. Since resuming, Home Improvement Advantage has made 101 loans totaling \$1,215,500 through June 30, 2022. As of June 30, 2022, for loans made under the current program and its predecessor combined, there were 31 loans outstanding totaling \$265,000. Appendix IX provides a history of second-mortgage program activity since 2009.

Down Payment and Closing Cost Assistance Programs. WHEDA offers second mortgages under its Easy Close and Capital Access programs to support homebuyer education and closing costs, and provide additional financing for down payments. In instances where WHEDA first-mortgage programs require a minimum percentage of a home purchase to be borrower funds, Easy Close or Capital Access may provide a down payment in lieu of the borrower.

Easy Close loans are generally available to WHEDA first-mortgage program participants and have loan amounts up to 6% of the purchase price. Capital Access loans are targeted towards areas of high housing need, are up to 3.5% of purchase price, and have more restrictive income

requirements. Easy Close loans have a 10-year term at a fixed interest rate, and Capital Access loans have a 30-year term with no interest. Homebuyers may only participate in one program. Detailed eligibility requirements and program information may be found on WHEDA's website. The Easy Close program is supported by an encumbrance of approximately \$14.9 million from the Authority's general fund, and the Capital Access program is supported by federal grant awards under the Capital Magnet Fund Program.

WHEDA issued 1,642 down payment and closing cost assistance mortgage loans totaling \$11.3 million in 2021 and 539 loans totaling \$4.1 million in 2022 through June 30. There were 8,092 loans outstanding totaling \$30.5 million as of June 30, 2022. Appendix IX provides a history of second-mortgage program activity since 2009.

Property Tax Deferral Loan Program. Under this program, low-income elderly homeowners, or veterans of any age, can take out loans against the equity of their home to pay property taxes. Loans are repaid upon sale of the property or when the recipient no longer lives in the home. WHEDA supports the program with a portion of WHEDA's unencumbered general reserves.

Since its inception in 1986, WHEDA has provided 6,693 loans totaling \$11,329,800. Program participation has declined substantially in recent years, with eight loans totaling \$24,500 in the program year ending June 30, 2022, associated with 2021 property taxes. The program is discussed in greater detail in the Legislative Fiscal Bureau's informational paper entitled "Property Tax Deferral Loan Program."

Bond Claim Program. Created in 2013, the Bond Claim Program provides loans to WHEDA borrowers who have previously defaulted on a loan. Recipients must demonstrate the reason for the default has been overcome and provide financial statements, proof of income, and documentation explaining the reason for default. The

borrower's monthly surplus income must be 10% of gross monthly income, or \$150. The loans are available for first mortgages more than three months in default, with loan amounts not to exceed \$25,000. Loans provide a 0% interest rate, and are due on payoff or if the owner ends occupancy of the subject property as a primary residence.

The program has an allocation of \$500,000 from the Home Ownership Development Fund, which is a part of WHEDA's general fund set aside primarily for single-family housing initiatives. The first Bond Claim loans were made on July 1, 2014. As of June 30, 2022, the program has made 41 loans totaling \$257,200 and 27 loans totaling \$171,000 remain outstanding.

Inactive Single-Family Programs

The Authority has suspended a number of single-family housing programs in recent years due to economic conditions, low demand, or the exhaustion of available funding. These programs are shown in the following list. Outstanding loans and amounts for each of these programs are available in Appendix IX.

- Home Ownership Mortgage (HOME) Loan Program
- Home Improvement Advantage Program
- HOME Plus Program
- Zero-Down Program
- Neighborhood Advantage Program
- Workforce Advantage Program
- Federal Home Loan Bank of Chicago (FHLBC) Advantage Program
- National Foreclosure Mitigation Counseling Program
- Strategic Blight Elimination Grants
- Qualified Subprime Loan Refinancing Program
- Homeowner Eviction and Lien Protection Program
- Milwaukee Advantage

Multifamily Housing Programs

The following section discusses a variety of state and federal multifamily programs currently offered or administered by WHEDA. A summary table of WHEDA housing programs is available in Appendix II.

Multifamily Loan Fund

The Authority provides construction and permanent financing for low- and moderate-income multifamily developments. WHEDA financing occurs through both federally taxable and tax-exempt revenue bonds. State statutes provide that interest on most bond issues for multifamily affordable housing developments or certain housing developments for the elderly or chronically disabled may be exempt from state personal income, corporate and franchise taxes. For bonds to be exempt for federal income tax purposes, they must be issued as part of the state's volume cap and support developments meeting certain income restrictions for residents.

Since 1974 through June 30, 2022, WHEDA has issued \$2.6 billion in general obligation, corporate-purpose revenue bonds for multifamily housing, \$795 million of which remains outstanding. Table 15 provides multifamily loan activity for the past 10 years.

WHEDA uses encumbrances from its general reserves to administer certain programs for the development and preservation of multifamily housing. Table 16 shows the funding allocated from the general reserve fund for multifamily housing programs. The general reserve fund consists of the following allocations:

- The preservation and lending fund, which provides financing for rehabilitation and preservation of low-income multifamily rental housing.

Table 15: Multifamily Loan Activity

Calendar Year	Number of Loans	Amount of Loans Disbursed	Units Assisted	Average Loan Per Unit
2013	24	49,595,000	707	\$70,149
2014	16	49,533,600	799	61,994
2015	25	68,879,600	917	75,114
2016	22	102,181,600	768	133,049
2017	53	166,274,000	1,476	112,652
2018	46	110,944,200	1,278	86,811
2019	100	304,089,800	3,105	97,936
2020	53	153,071,077	1,467	104,343
2021	31	166,334,393	1,240	134,141
2022*	<u>17</u>	<u>59,499,953</u>	<u>673</u>	88,410
Total	387	1,230,403,223	12,430	\$98,987

*As of June 30.

- The general revolving fund, which supports financing for multifamily projects that serve low-income persons, the elderly, the homeless, or those with disabilities in the form of construction lending, financing prior to issuance of bonds supporting a project, or financing for projects not eligible for bonding.
- Revolving loans for very low-income multifamily housing, occupied by households at or below 50% of the area median income.
- A federal Capital Magnet Fund grant award, which provides gap financing for multifamily projects, and supports down payment assistance for single-family mortgages.
- Funds to subsidize interest rates on multifamily project loans.
- Matching funds for the Federal Home Loan Bank of Chicago's Community First revolving loan program for affordable housing and economic development.
- Funds to support a pilot program addressing the shortage of affordable workforce housing in rural areas.
- Federal housing trust fund awards used to support financing for very-low income rental

Table 16: General Reserve Encumbrances for Multifamily Housing Programs

Program	June 30, 2022 Amount
Preservation and Lending Fund	\$67,492,603
General Revolving Fund	55,627,134
Very Low-Income Housing	5,733,463
Capital Magnet Fund	9,098,505
Interest Subsidy Funds	5,238,060
Federal Home Loan Bank Matching Funds	2,400,000
Multifamily Rural Workforce Initiative	2,250,000
Housing Trust Fund	8,064,017
Multifamily Bond Support	974,838
Fannie Mae Secondary Market Initiative	700,000
HUD Section 8 Program Administration	321,642
Emerging Developers Initiative	<u>2,000,000</u>
Total	\$159,900,262

units. Amounts are those being held in the fund while loans are finalized.

- Bond support funds to cover costs related to issuing housing revenue bonds.
- Fannie Mae's Secondary Market Initiative, which collateralizes WHEDA's guarantee requirement for the sale of certain tax credit projects in WHEDA's loan portfolio.
- Earnings from administration of U.S. Department of Housing and Urban Development (HUD) Section 8 programs.

Low-Income Housing Tax Credit

Federal Low-Income Housing Tax Credit. WHEDA is responsible for administration of the federal Low-Income Housing Tax Credit (LIHTC) on behalf of the state. The LIHTC apportions credits to states on the basis of population to encourage the development of multifamily properties with below-market rents for low-income households. States award developers tax credits, which typically are sold to investors in exchange for upfront financing.

Properties receiving the credit must reserve at least 20% of units for households with incomes at

or below 50% of the county median income, or at least 40% of units for households with an average income of no more than 60% of county median income. Monthly rent for these units, including utilities, is intended to be no more than 30% of income for tenants. Properties must offer these units to low-income tenants for a period of 30 years.

The federal LIHTC is provided in two forms, a 4% credit and a 9% credit, and the credit may be claimed for each of the 10 years beginning with the year the development is placed into service. Over the 10-year credit period, the 4% credit is adjusted monthly to provide financing equal to 30% of the present value of construction costs of the low-income units in the development, not including land. Similarly, the 9% credit is intended to provide financing equal to 70% of the present value of construction costs. Due to 2015 changes, the 9% credit is no longer adjusted monthly and is fixed at 9%, with a resulting present value that fluctuates but is generally higher than 70% of construction costs.

Tax credits are typically sold at a discount to investors, who provide capital to finance upfront costs of construction, and subsequently claim credits over the 10-year period. A typical LIHTC project may include other financing, such as contributions from the developer, private financing from commercial lenders, and tax-increment financing. For 4% properties, this financing includes tax-exempt bonds issued under the federal volume cap allocated to the state. Properties receiving the 9% credit generally are not eligible for tax-exempt bonding.

The 9% credit is provided on a competitive basis with an anticipated allocation in Wisconsin of \$15.3 million in 2023. Since its inception in 1986, WHEDA has awarded approximately \$455 million in federal 9% credits. Table 17 shows 9% LIHTC awards for the past five years. (The value shown each year is the maximum aggregate single-year amount claimable for projects

Table 17: Federal 9% Low-Income Housing Tax Credit Awards

Calendar Year	Credits Awarded	Projects Funded	Low-Income Units Created/Rehabilitated
2018	\$14,833,291	27	1,378
2019	19,856,399	27	1,429
2020	16,478,419	24	1,049
2021*	14,730,616	17	866
2022*	<u>15,248,206</u>	<u>18</u>	<u>850</u>
Total	\$81,146,931	113	5,572

*An additional \$25 million in federal American Rescue Plan Act (ARPA) funding and an additional \$7.4 million allocated by WHEDA from its federal National Housing Trust Funds were made available for shortages in multifamily projects that received federal or state housing tax credits in 2020 or 2021.

awarded credits. If credits are claimed in full each year, the value of credits would be 10 times the annual value shown.) The 4% credit is available on an unlimited basis to all eligible properties that have at least 50% of their construction costs financed with tax-exempt bonds. In the event a development is noncompliant, such as providing less than the contracted amount of low-income units, claimants are subject to recapture of tax credits, consisting of a calculation of actual available low-income units relative to the amount of credits already claimed.

Specific requirements for the application process and scoring procedure are laid out in the Authority's Qualified Allocation Plan (QAP). Under the plan, properties receiving either the competitive 9% or non-competitive 4% credit must receive a determination that identifies a need for housing in a given market, as well as the need for LIHTC support to be financially feasible. Further, applicants must undergo a scoring process that determines eligibility, with a minimum score necessary to receive the credit. Scoring gives preference to developments that, among other factors: (a) serve a variety of income levels; (b) are located in lower-income areas; (c) are energy-efficient and sustainable; (d) have units suitable for larger families; (e) provide supportive services; (f) are accessible to disabled persons; (g) rehabilitate or stabilize a neighborhood; (h) are

located in rural areas without recent credit awards; and (i) are ready to proceed with construction.

State Housing Tax Credit. 2017 Wisconsin Act 176 created a state nonrefundable tax credit intended to supplement the 4% federal LIHTC. The credit is claimable against the state individual income tax, the corporate income/franchise tax, and the insurance premiums tax. Under the program, WHEDA may award up to \$7 million in state housing tax credits (HTC) annually, claimable for six years, for a maximum program total of \$42 million annually once the program is fully implemented.

Credits are awarded through a competitive application process, whereby WHEDA assigns scores to the applications based on criteria laid out in the QAP, as discussed previously. Awards are limited to \$1.4 million per project. WHEDA is also required by law to give preference to developments located in cities, towns, or villages with populations fewer than 150,000.

Table 18 provides a listing of credit awards by year under the federal 4% LIHTC and the state HTC programs. WHEDA allocates state credits approximately equal to the federal 4% LIHTC award received, up to the \$1.4 million cap per project.

Table 18: State Housing Tax Credit and Federal 4% Low-Income Housing Tax Credit Awards

Calendar Year	Projects	Federal 4% LIHTC	State HTC	Low-Income Units
2018	9	\$6,632,587	\$6,620,994	1,065
2019	11	7,008,948	6,243,491	796
2020	11	7,958,843	7,947,444	1,009
2021	16	13,286,027	7,112,492	1,334
2022	<u>9</u>	<u>5,723,166</u>	<u>5,804,984</u>	<u>524</u>
Total	56	\$40,609,571	\$33,729,405	4,728

Property owners are eligible for the state credit as long as: (a) the project meets low-income requirements necessary to receive the federal

LIHTC; (b) the development receives financing with tax-exempt bonding; (c) WHEDA determines the credit is necessary for the financial feasibility of the proposed construction; and (d) the development is compliant with Title VIII of the Civil Rights Act, pertaining to protection from discrimination related to race, color, religion, national origin, sex, familial status, or disability. By statute, property owners are required to maintain compliance with low-income and non-discrimination requirements for at least 15 years, although WHEDA has instituted a 30-year compliance period consistent with the federal LIHTC.

Claimants are subject to recapture of tax credits in the same manner as the federal credit, consisting of a calculation of actual available low-income units relative to the amount of credits already claimed. WHEDA may carry forward any previously unallocated or recaptured credits, in addition to its yearly maximum allocation. Any credit amount claimed but unable to be used by the claimant may be carried forward for the following 15 years.

Tax Credit Administration Fees. WHEDA collects fees for administering the federal LIHTC and state HTC, including those for applications, reservation and allocation of credits, application extensions and reissuance of credits, and compliance monitoring of projects. Monitoring fees are collected from developments as part of annual reviews to determine compliance with required low-income unit set-asides and income-based rent restrictions. Other fees include those for application extensions and reissuance of credits. In 2021-22, fee collections totaled \$3.05 million, consisting of \$2.9 million for the federal LIHTC, and \$145,000 for the state HTC.

Rent Assistance (Section 8) Programs

HUD's Section 8 housing program provides housing to low-income households through either a project-based or tenant-based method. In both

instances, tenants pay 30% of their monthly income towards rent, and the remainder is paid by HUD. Eligibility generally is limited to households at or below 50% of county median family income, although targets may be lower based on availability. Median family income by county is shown in Appendix X.

Project-Based Rental Assistance. Under project-based rental assistance, HUD negotiates contracts with property owners to provide housing to low-income tenants. Contracts are adjusted annually to reflect changes in the rental market and cost of living, and usually last the duration of the mortgage, typically 20 to 40 years, with possibility for renewal thereafter. WHEDA administers these project-based contracts on behalf of HUD throughout Wisconsin, collecting rent claims by property owners and disbursing HUD funds back to them. In 2021-22, WHEDA made payments to property owners totaling \$278.6 million, and received \$11.1 million for administering these contracts. WHEDA reports it administered contracts for project-based Section 8 representing 30,768 units in 2021-22. Amounts reported by WHEDA also include a small amount of funding related to the federal Section 811 program, which provides rental assistance for persons with disabilities and is also administered by WHEDA.

Housing Choice Voucher Program. Under the Housing Choice Voucher (HCV) program, rent subsidies follow the tenant, who has flexibility in selecting a residence. These vouchers are portable, allowing recipients to move once per year anywhere in Wisconsin so long as a voucher program is active in that area. As of September 1, 2022, WHEDA administers 2,352 vouchers across 61 counties. As of November 1, 2022, WHEDA is administering 343 of 715 EHV's available in the state. In calendar year 2021, WHEDA received \$13 million in funding for HCV, and for a related veterans assistance housing program. For administering these, WHEDA received \$1.3 million in HCV reimbursements and \$231,500 in Emergency Housing Voucher fees. From January

1, 2022 through June 30, 2022, WHEDA received \$883,800 in HCV reimbursements and \$20,200 in EHV placement fees.

It should be noted that WHEDA-administered HCVs represent a small portion of vouchers available statewide. The majority of HCVs are administered by local public housing authorities throughout the state. In federal fiscal year 2021, Wisconsin was allocated \$171 million for housing choice vouchers, supporting 33,299 vouchers.

Housing Trust Fund

This federal program provides grants to states to improve the supply of affordable housing for extremely low-income households. WHEDA administers the program on behalf of the state. Since its inception in 2016 through 2021, Wisconsin's allocation has totaled \$30.4 million. WHEDA allocates funding as low-interest loans to fill funding gaps in rental properties serving

tenants with income below 30% of county median income. As of September 1, 2022, WHEDA has closed on loans totaling \$12.3 million from the housing trust fund.

WHEDA Foundation Housing Grant Program

The WHEDA Foundation is a nonprofit corporation that makes grants to nonprofits and local governments to provide housing to low- and moderate-income persons, including the elderly, person with disabilities, and those in crisis. The WHEDA Board approves grants, as selected by WHEDA staff, and transfers funds to the Foundation to award to recipients. Grants are awarded through an annual statewide competition. Each proposal is evaluated based on project need, implementation, impact, and budget. Since the inception of the grant program in 1985 through 2021, \$26.96 million has been awarded, including approximately \$1 million in each of 2019, 2020, and 2021.

APPENDIX I

Summary Information on Department of Administration Housing Programs

Program	Purpose	Funding Source	Program Expenditures
Housing Grants and Loans Programs (HCRI Homebuyer, Homelessness Prevention, and Critical Assistance)	Grants to municipalities and nonprofit entities to assist low- and moderate-income households for the purposes of assisting homebuyers and preventing homelessness.	GPR & program revenue	In 2021-23, \$6,195,600 was awarded to 46 agencies (\$2,600,000 awarded to 22 agencies for the HCRI homebuyer program, \$3,030,000 awarded to 23 agencies for the Homelessness Prevention Program, and \$565,600 awarded to one agency for the Critical Assistance program).
Housing Assistance Program	Grants to local providers for operating costs and supportive services for individuals experiencing homelessness.	GPR & program revenue	In 2022-23, \$900,000 was awarded to four agencies.
State Shelter Subsidy Grant Program	Grants to local agencies and organizations to develop or expand shelter facilities and for operating expenses for those facilities.	GPR & program revenue	In 2021-22, \$1,623,200 was awarded to 46 agencies.
Interest-Bearing Real Estate Trust Accounts	Homeless assistance grants made from interest earnings on real estate-related money deposits.	Program revenue	Approximately \$41,000 in interest earnings in 2021 and \$27,400 in 2022 (through September 30) were collected. IBRETA funds currently support the State Shelter Subsidy Grant Program.
Employment Grants Program	Grants are awarded to municipalities for programs that connect individuals experiencing homelessness with permanent employment.	GPR	In 2021-22, \$75,000 was awarded to Milwaukee County.
HOME Homebuyer and Rehabilitation Program	Grants to designated agents to: (a) provide assistance to homebuyers; and (b) fund housing rehabilitation, acquisition, or construction.	Federal funds (HOME program)	In FFY 2021, \$4,230,000 was awarded to 15 grantees, which assisted 93 households.
HOME Rental Housing Development	Grants or equity investments to finance the development of new or rehabilitated rental housing.	Federal funds (HOME program)	In FFY 2021, \$4,873,200 was awarded to five grantees, which provided rental development for 52 housing units.
HOME Tenant-Based Rental Assistance	Provide grants to local agencies to provide direct rent subsidy assistance to low-income, homeless, or special needs households.	Federal funds (HOME program)	In FFY 2021, \$6,616,700 was awarded to 15 grantees, which assisted 2,487 households.
Emergency Solutions Grant Program	Grants can be used for rapid re-housing, homelessness prevention, emergency shelter, street outreach, the homeless management information system, and administrative costs.	Federal funds (Stewart B. McKinney Homeless Assistance Act)	In FFY 2022, \$3,385,100 was awarded to 24 shelter providers.

Summary Information on Department of Administration Housing Programs (continued)

Program	Purpose	Funding Source	Program Expenditures
CDBG Housing Rehabilitation	Grants to Wisconsin municipalities for housing rehabilitation and other purposes.	Federal HUD funding	In FFY 2022, \$6,528,300 in CDBG funds were allocated for housing purposes.
CDBG Emergency Assistance Program	Grants to Wisconsin municipalities to address natural or man-made emergency housing disasters.	Federal HUD funding	In 2020-21, the Village of Rock Springs in Sauk County received \$819,200. No awards were made in 2021-22.
Homeless Case Management Services Program	Grants to shelter facilities to provide intensive case management services to families experiencing homelessness.	Federal TANF funding	In 2021-22, \$50,000 each was awarded to the following grantees: Community Advocates Milwaukee, Central Wisconsin Community Action Council, Inc., Freedom House Green Bay, Homeless Assistant Leadership Organization, Inc., House of Hope Green Bay, Renewal Unlimited, Inc., Salvation Army-Dane County, Turningpoint, Western Dairyland EOC, Inc., and YWCA Madison.
Housing Opportunities for Persons with AIDS	Grants to AIDS service organizations to provide support for housing assistance and supportive services to low-income persons with HIV/AIDS and their families.	Federal funding (HOPWA program)	In FFY 2022, \$934,600 in HOPWA funds were awarded to AIDS service organizations outside of the Milwaukee metropolitan area.
Wisconsin Emergency Rental Assistance Program	Direct financial assistance with rent, utilities, existing housing-related arrears, and other housing expenses for households that experienced financial hardship during the COVID-19 pandemic.	Federal funding (Federal Consolidated Appropriations Act, 2021, and ARPA Emergency Rental Assistance)	The Department expended and obligated state ERA1 funding of \$158,945,800, including administrative expenses, to assist 42,671 households. Through September 30, 2022, the Department expended and obligated state ERA2 funding of \$92,437,600, which includes administrative expenses, to assist 21,041 households.
Wisconsin Help for Homeowners Program	Housing grants to owner-occupied households who have experienced a financial hardship since January 21, 2020. Eligible expenses include mortgage and interest payments, real estate taxes, and housing fees.	Federal funding (ARPA HAF)	In 2021-22, WHH funds totaling \$6,395,300 assisted 1,315 households. Between July 1, 2022, and November 30, 2022, WHH funds totaling \$18,816,300 assisted 2,482 households.
Safe Shelter and Homelessness Grants	Grants to shelter facilities to address homelessness and ensure safe shelter for individuals experiencing housing instability during the winter months of 2021-22 and 2022-23.	Federal funding (ARPA SFRF)	In 2021-22, \$3,263,900 was provided to 42 grantees.
Veterans Rental Assistance Program	Direct rental assistance for veterans that experienced financial hardship during the COVID-19 pandemic and have a household income at or below 80% of the area median income.	Federal funding (ARPA SFRF)	The program is allocated \$2,000,000. The Department began accepting applications in December, 2022.

APPENDIX II

Summary Information on Major WHEDA Housing Programs

Program	Purpose	Primary Funding
WHEDA Advantage, Advantage-FHA, First-Time Home Buyer Advantage, VALOR	Mortgage loans for the purchase of homes by low- and moderate-income households.	Mortgage revenue bonds; secondary market sales of loans; federal volume cap tax-exempt bonding
WHEDA Tax Advantage	Federal income tax credits for mortgage interest paid.	Federal tax-exempt volume cap conversions
Home Improvement Advantage	Housing rehabilitation loans to low- and moderate-income households.	Home Improvement Loan Fund; bonding available but not currently used
Easy Close Advantage and Capital Access Advantage	Loans for down payment or home mortgage closing costs.	WHEDA general reserves; federal Capital Magnet Fund
Property Tax Deferral Loan Program	Loans to low-income elderly homeowners for payment of property taxes.	WHEDA general reserves
Bond Claim Program	Loans to assist homeowners who have previously defaulted.	WHEDA general reserves
Multifamily Loan Program	Financing to developers of multifamily projects for low- and moderate-income households.	Revenue bond proceeds; WHEDA general reserves
Low-Income Housing Tax Credit Program	Federal and state tax credits to developers of low-income rental housing.	Federal and state tax credits
Section 8 Project-Based Rental Assistance	Housing payments directly to property owners to subsidize rental housing for persons of low income.	Federal funds provided by HUD
Section 8 Housing Choice Voucher Program	Federal housing vouchers to low-income households.	Federal funds provided by HUD
Housing Trust Fund	Federal grants for affordable housing for very-low income households.	Federal funds provided by HUD
WHEDA Foundation Grant Program	Grants to nonprofit organizations for housing-related purposes.	WHEDA surplus reserves

APPENDIX III

Summary of State Agency Housing Programs

A number of state agencies perform functions that may be viewed as housing services. The following lists these agencies and describes each agency's housing-related activities.

Department of Children and Families

The Department of Children and Families (DCF) administers many programs to ensure the safety, well-being, and stability of children and their families. This includes several programs aimed in part towards alleviating and reducing homelessness.

Emergency Assistance. The emergency assistance program provides assistance to needy persons with children in cases of fire, flood, natural disaster, energy crisis, homelessness, or impending homelessness. Emergency assistance may be provided once in a 12-month period. Wisconsin Works agencies administer the emergency assistance program at the local level via contract with DCF.

Benefits are in the form of cash, voucher, or vendor payment and are funded under the federal TANF block grant. Emergency assistance payments totaled approximately \$1.7 million in 2021-22 and are budgeted at \$6.0 million in 2022-23. For additional information, see the Legislative Fiscal Bureau's informational paper entitled, "Economic Support Programs (Child Care and Wisconsin Works (W-2))."

Runaway and Homeless Youth Services. Six programs across the state provide residential, counseling, and other services designed to protect runaway and homeless youths and, when possible, reunite them with their families. The Department is budgeted \$400,000 GPR annually to award grants for these services, and awarded an

additional \$350,000 FED from the state's grant under the Stephanie Tubbs Jones Child Welfare Services Program in 2022.

Additional organizations that did not receive these grants provide similar services in the state. Most of these programs, as well as the DCF-funded programs, are also supported through other grants and funding sources, such as federal Family and Youth Services Bureau runaway and homeless youth grants.

As noted previously in the DOA section on the Safe Shelter and Homelessness Grant program, in November, 2021, DCF was allocated \$2 million of ARPA funds for runaway and homeless youth grants.

Independent Living Services. In 2021-22, DCF received \$2,335,300 in federal funding under the federal Chafee Foster Care Independence Program to assist eligible youth and young adults who age out of the out-of-home care system to transition to self-sufficiency. The Department allocated \$1,769,800 of these funds to seven regional transitional resource agencies in 2022 to support independent living coordinators and provide direct services for youth from 17.5 to 23 years old. No more than 30% may be used for room and board expenses.

In addition, federal legislation passed in December, 2020, provided additional one-time funding and flexibilities to provide housing supports in response to the COVID-19 pandemic. The Department received \$6,157,500 for these purposes, and made funding available to transitional resource agencies and county welfare agencies from April, 2021, through September, 2022. In addition to other independent living services, these funds were

available to support temporary extensions of a young adult's residence in their foster care placement home beyond their 18th birthday. The legislation also temporarily permitted more than 30% of these funds to be used for room and board expenses.

Department of Corrections

The Department of Corrections (DOC), Division of Community Corrections (DCC), administers the Purchase of Offender Services (POS) funds, which are used to buy products or services for the benefit of offenders in the community. Appropriated POS funding is allocated to eight DCC regions. Subsequent to regional allocation, program funding is provided on a needs-based prioritization. In 2021-22, DCC expended a total of \$30,774,400 GPR for offender services and is budgeted \$34,062,600 GPR for this purpose in 2022-23. Included in POS-funded items are the following programs that relate to housing and homelessness:

Emergency, Short-Term, Supportive Housing Services, and Supplemental Housing. The Department provides state funds for offender housing on a temporary basis. Emergency housing assistance is provided when an offender under community supervision does not have an appropriate residence and may be waiting for a residential program opening. An offender may stay 30 days in a hotel, motel, or boarding house on a temporary basis in cases of emergency (with an option to apply for 30-day extensions). Short-term housing is temporary housing (60-90 days) in DOC-contracted housing for offenders that have minimal financial resources and no appropriate residence. Supportive housing services are bed placements for 180 days and include services such as transportation, daily meals, and case management to address residential instability and treatment needs. Supplemental housing consists of temporary support (60-90 days) of offender-leased housing for which DCC pays part or all of the rent. Payment is made directly to the landlord on behalf of the offender.

In 2021-22, the emergency, short-term, supportive housing services, and supplemental housing programs expended approximately \$3,004,800 in POS funds and have a budget of approximately \$2,595,700 in POS funds for 2022-23.

Transitional Housing. Transitional housing provides offenders with one- to two-bedroom apartments, or facilities with multiple single- or double-occupancy bedrooms, with access to congregate living areas and a shared kitchen. The housing program contractor supplies all bedding, household supplies (items such as dishes, cooking utensils, and alarm clocks), a food supply for one week, and staff supervision via random on-site inspections. While in the transitional housing program, offenders attend on-site programming and are allowed to work, if they have outside employment. The program is used to transition offenders from prison to the community when other housing options are unavailable. Housing may be provided for 90-120 days based on availability. In 2021-22, the transitional housing program expended \$4.5 million in POS funds and has a budget of \$4.9 million in POS funds for 2022-23.

It should be noted that for the Corrections programs described above, the agency expends the funds to perform its statutory duties to place offenders in the community in a manner that protects public safety and provides for secure supervision of individual offenders.

Department of Health Services

PATH Program. The Department of Health Services administers funds the state receives from the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration under the federal Projects for Assistance in Transition from Homeless (PATH) program. The Department provides these federal funds, together with state (GPR) funds, to local agencies that provide services to people who have serious mental illness and are experiencing

homelessness or are at imminent risk of becoming homeless. The agencies use these funds to support activities such as outreach, screening and diagnostic treatment, community mental health services, case management, substance abuse treatment, rehabilitation and support services, and referrals to other health and social services. The state funding is provided to partially fund a 33% match requirement that grantees must meet as a condition of receiving the grant funding.

The Department of Health Services allocates PATH program funds to agencies that have a large number of homeless individuals with serious mental illness. In 2021-22, DHS awarded eight grants totaling \$827,200 (\$786,100 FED and \$41,100 GPR).

Department of Public Instruction

Education and Homeless Children and Youth grants provide federal funding to support access to a free and appropriate education for homeless pupils, as required under federal law. The grant program is administered by the Department of Public Instruction. Funds are used by states to develop and implement a plan to address problems associated with the enrollment, attendance, and success of homeless pupils, such as lack of transportation, activities fees, or academic or medical records, as well as to award three-year subgrants to local education agencies to address these issues.

In 2021-22, Wisconsin received approximately \$1.3 million in federal funds through the grant program. Recipients of the most recent subgrant awards, which will provide grants in the 2020-21, 2021-22, and 2022-23 school years, included 17 school districts.

Department of Veterans Affairs

Veterans Housing and Recovery Program. The Department of Veterans Affairs (DVA) administers the veteran housing and recovery program (also

known as the veterans assistance program) to provide transitional housing and support services to homeless veterans and veterans who are at risk of becoming homeless. By rule, a veteran is eligible for the program if the veteran's need for services is based on any of the following circumstances: (a) homelessness or conditions that indicate that the veteran is at risk of becoming homeless; (b) incarceration; (c) unemployment or underemployment that significantly limits the veteran's ability to be self-supporting; (d) an affliction with acute or chronic physical or mental health problems that significantly limits the veteran's ability to be self-supporting; and (e) insufficient monthly income and resources to pay for the cost of care provided at an assisted living facility operated at a state veterans home. The Department funds residential services in Chippewa Falls and Union Grove (on or near the state veterans homes at these locations), and at a separate site in Green Bay.

Services provided under the program include: (a) transitional housing; (b) referrals to service providers; (c) financial assistance to veterans who are eligible for residency at a veterans home but lack financial resources; (d) assistance in seeking vocational opportunities; and (e) single occupancy rooms at reduced rent for working veterans.

The veteran housing and recovery program is funded from a combination of federal per diem payments, an appropriation from the state veterans trust fund, and payments by program participants. Veterans who receive transitional housing or single-occupancy housing assistance may be charged a program fee, which is generally capped at 30% of monthly income. In 2021-22, expenditures totaled \$2,592,800, including federal per diem payments (\$1,834,000), an appropriation from the veterans trust fund (\$612,800), and revenue contributed by veterans who received services (\$146,000).

Veterans Outreach and Recovery Program. The veterans outreach and recovery program (VORP) provides outreach, treatment, and support to

veterans (and individuals who are serving in the National Guard or a reserve component of the U.S. Armed Forces) who have a mental health condition, with a particular focus on veterans who are homeless or at risk of becoming homeless. The program employs outreach and recovery coordinators, who make contact with program participants to provide direct assistance as well as referral to

other existing social services. Referral services include mental health and substance abuse treatment, housing and utility assistance, employment and education, and transportation assistance.

In 2021-22, VORP had 14.75 authorized positions and a budget of \$1,571,900, funded from the veterans trust fund.

APPENDIX IV

**DOA Division of Energy, Housing and Community Resources by Income
2021-22**

**Households Assisted through DOA Housing Programs
2021-22 (All Federal and State Programs)***

	Percent of Median Income				Total
	0% to 30%	31% to 50%	51% to 80%	81%+	
Renters	33,607	4,408	766	43	38,825
Existing Owners	210	182	407	0	800
Home Buyers	14	78	160	0	252
Homeless**	<u>39,256</u>	<u>1,710</u>	<u>189</u>	<u>50</u>	<u>41,205</u>
All	73,089	6,378	1,522	93	81,082

**Households Assisted through the DOA Division of Energy, Housing and Community Resources
2021-22 (Federal Formula Allocation Programs --
CDBG Housing, HOME, ESG, and HOPWA)***

	Percent of Median Income				Total
	0% to 30%	31% to 50%	51% to 80%	81%+	
Renters	11,858	1,919	260	16	14,053
Existing Owners	71	103	238	0	412
Home Buyers	4	25	49	0	77
Homeless**	<u>15,677</u>	<u>644</u>	<u>135</u>	<u>12</u>	<u>16,468</u>
All	27,610	2,691	681	28	31,010

*Data, except for ESG, based on program year (April 1, 2021, to March 31, 2022).

**Homeless data, which includes ESG, based on state fiscal year 2021-22 (July 1, 2021, to June 30, 2022).

APPENDIX V

DOA Housing Funding Awards by Region 2021-22 ⁽¹⁾

Program	State Total	Milwaukee Metro	Other Metro	Non-Metro
State-Funded Programs				
HCRI Homebuyer Program (two-year cycle for 2021-22 and 2022-23)	\$2,600,000	\$866,668	\$866,666	\$866,666
Homelessness Prevention Program	1,515,000	259,700	784,300	471,000
Critical Assistance Grant Program ⁽²⁾	282,800	0	0	282,800
Housing Assistance Program	900,000	150,000	225,000	525,000
State Shelter Subsidy Grant Program	1,623,200	575,100	724,100	324,000
Employment Grants Program	75,000	75,000	0	0
Federally-Funded Programs				
HOME - Homebuyer and Rehabilitation ^{(2) (3)}	\$4,230,000	\$0	\$0	\$4,230,000
HOME - Rental Housing Development ^{(2) (3)}	4,873,200	0	0	4,873,200
HOME - Tenant-Based Rental Assistance ⁽³⁾	6,616,700	0	1,577,400	5,039,300
Emergency Solutions Grants	3,523,200	691,800	1,632,000	1,199,500
CDBG - Housing Rehabilitation ^{(2) (3) (4)}	6,528,300	0	0	6,528,300
Homeless Case Management Services	500,000	50,000	250,000	200,000
Housing Opportunities for Persons with AIDS ⁽²⁾	851,000	0	0	851,000
Wisconsin Emergency Rental Assistance Program (WERA)	256,885,200	41,018,500	99,813,000	116,053,700
Wisconsin Help for Homeowners (WHH)	6,395,300	1,629,700	1,934,200	2,831,400

⁽¹⁾ For state-funded programs, 2021-22 includes awards from July 1, 2021, to June 30, 2022. For federally-funded programs (excluding WERA and WHH), funding awards for FFY 2021 are listed. Figures for WERA include awards from March, 2021, to November, 2022; figures for WHH reflect 2021-22 awards.

⁽²⁾ Grantees serve both other metro and non-metro areas of the state.

⁽³⁾ Milwaukee metro counties receive a direct federal allocation.

⁽⁴⁾ Wisconsin's federal allocation.

APPENDIX VI

2022 HUD Household Income Limits Applicable to Certain Housing Programs Administered by DOA (Four-Person Household)

County	Adjusted Percent of County Median Income			
	30%	50%	60%	80%
Adams	\$24,100	\$40,151	\$48,180	\$64,250
Ashland	24,100	40,151	48,180	64,250
Barron	24,100	40,151	48,180	64,250
Bayfield	24,100	40,151	48,180	64,250
Brown	27,050	45,100	54,120	72,150
Buffalo	24,100	40,151	48,180	64,250
Burnett	24,100	40,151	48,180	64,250
Calumet	25,500	42,500	51,000	68,000
Chippewa	26,850	44,750	53,700	71,600
Clark	24,100	40,151	48,180	64,250
Columbia	27,750	46,250	55,500	74,000
Crawford	24,100	40,151	48,180	64,250
Dane	34,600	57,650	69,180	89,400
Dodge	24,450	40,750	48,900	65,200
Door	24,700	41,150	49,380	65,850
Douglas	25,600	42,650	51,180	68,250
Dunn	24,650	41,050	49,260	65,700
Eau Claire	26,850	44,750	53,700	71,600
Florence	24,100	40,151	48,180	64,250
Fond du Lac	25,250	42,100	50,520	67,350
Forest	24,100	40,151	48,180	64,250
Grant	24,100	40,151	48,180	64,250
Green	26,650	44,400	53,280	71,050
Green Lake	24,100	40,151	48,180	64,250
Iowa	27,150	45,250	54,300	72,400
Iron	24,100	40,151	48,180	64,250
Jackson	24,100	40,151	48,180	64,250
Jefferson	26,450	44,050	52,860	70,500
Juneau	24,100	40,151	48,180	64,250
Kenosha	26,850	44,750	53,700	71,600
Kewaunee	27,050	45,100	54,120	72,150
La Crosse	27,050	45,050	54,060	72,100
Lafayette	24,100	40,151	48,180	64,250
Langlade	24,100	40,151	48,180	64,250
Lincoln	24,450	40,750	48,900	65,200
Manitowoc	24,200	40,350	48,420	64,550
Marathon	26,300	43,800	52,560	70,100
Marinette	24,100	40,151	48,180	64,250
Marquette	24,100	40,151	48,180	64,250
Menominee	24,100	40,151	48,180	64,250

APPENDIX VI (continued)

**2022 HUD Household Income Limits
Applicable to Certain Housing Programs Administered by DOA
(Four-Person Household)**

County	Adjusted Percent of County Median Income			
	30%	50%	60%	80%
Milwaukee	\$28,300	\$47,200	\$56,640	\$75,500
Monroe	24,450	40,750	48,900	65,200
Oconto	24,100	40,150	48,180	64,250
Oneida	24,300	40,500	48,600	64,750
Outagamie	28,700	47,850	57,420	76,550
Ozaukee	28,300	47,200	56,640	75,500
Pepin	24,400	40,650	48,780	65,050
Pierce	35,200	58,650	70,380	89,400
Polk	24,100	40,150	48,180	64,250
Portage	26,950	44,950	53,940	71,900
Price	24,100	40,151	48,180	64,250
Racine	25,900	43,150	51,780	69,050
Richland	24,100	40,151	48,180	64,250
Rock	24,450	40,750	48,900	65,200
Rusk	24,100	40,151	48,180	64,250
St. Croix	35,200	58,650	70,380	89,400
Sauk	24,650	41,100	49,320	65,750
Sawyer	24,100	40,151	48,180	64,250
Shawano	24,100	40,151	48,180	64,250
Sheboygan	25,400	42,300	50,760	67,700
Taylor	24,100	40,151	48,180	64,250
Trempealeau	24,450	40,750	48,900	65,200
Vernon	24,100	40,151	48,180	64,250
Vilas	24,100	40,151	48,180	64,250
Walworth	26,400	44,000	52,800	70,400
Washburn	24,100	40,151	48,180	64,250
Washington	28,300	47,200	56,640	75,500
Waukesha	28,300	47,200	56,640	75,500
Waupaca	24,450	40,750	48,900	65,200
Waushara	24,100	40,151	48,180	64,250
Winnebago	25,500	42,500	51,000	68,000
Wood	24,100	40,151	48,180	64,250

Note: The Department of Administration housing programs funded with federal HOME funds use these income limit categories for client eligibility and reporting purposes. Programs funded with federal CDBG funds use the 30%, 50%, and 80% income limits.

APPENDIX VII

U.S. HUD HOME Direct Grant Recipients

These municipalities receive HOME grants directly from HUD rather than through the Wisconsin Department of Administration.

Cities

Eau Claire
Green Bay
Janesville
Kenosha
La Crosse
Madison
Milwaukee
Racine

Counties

Dane County
Milwaukee County

A Consortium of:

Jefferson, Ozaukee, Washington, and Waukesha Counties
(excluding the Village of Sullivan in Jefferson County)

APPENDIX VIII

U.S. HUD CDBG Entitlement Municipalities

These municipalities receive CDBG grants directly from HUD rather than through the Wisconsin Department of Administration.

Appleton
Beloit
Eau Claire
Fond du Lac
Green Bay
Janesville
Kenosha
La Crosse
Madison
Milwaukee
Neenah
Oshkosh
Racine
Sheboygan
Superior
Wausau
Wauwatosa
West Allis

Dane County
(excluding the Villages of Cottage Grove, Dane, Maple Bluff, Mazomanie,
and Rockdale, and the City of Edgerton)

Milwaukee County

Waukesha County
(excluding the Villages of Chenequa and Oconomowoc Lake)

APPENDIX IX

WHEDA Single-Family Programs Historical Activity

Calendar Year	First-Mortgage Programs										Second-Mortgage Programs						
	Conventional		Advantage-FHA		First-Time Buyers		Veterans		Refinance		Rehabilitation		Down Payment Assistance				
	WHEDA Advantage ^a Loans	Amount	Loans	Amount	FTHB Advantage Loans	Amount	VALOR Loans	Amount	Refi Advantage Loans	Amount	Home Improvement Advantage Loans	Amount	Easy Close Advantage Loans	Amount	Access Advantage Loans	Amount	Capital Advantage Loans
2009	-	-	-	-	-	-	-	-	-	-	6	\$42,690	-	-	-	-	-
2010	657	\$74,007,746	2	\$163,300	-	-	-	-	-	-	2	20,000	8	\$24,000	-	-	-
2011	374	39,305,692	0	0	-	-	-	-	-	-	5	41,368	63	189,000	-	-	-
2012	640	71,238,720	11	1,167,569	-	-	-	-	-	-	6	39,884	143	485,389	-	-	-
2013	1,077	119,772,833	49	5,056,540	-	-	-	-	3	\$837,750	12	95,113	454	1,552,269	-	-	-
2014	1,169	133,701,463	79	8,424,304	-	-	-	-	18	1,944,070	18	221,436	602	2,146,109	-	-	-
2015	502	66,199,965	124	14,111,641	1,040	\$119,140,582	1	\$216,300	12	1,465,130	9	145,871	944	3,575,552	-	-	-
2016	622	87,132,595	360	42,728,098	1,594	184,709,715	46	5,295,660	15	1,811,500	13	160,152	1,667	6,570,945	-	-	-
2017	629	87,687,136	385	46,242,468	2,011	230,717,789	46	5,665,601	7	957,115	11	229,432	2,206	8,643,242	23	\$80,500	-
2018	843	124,871,975	396	50,998,773	2,670	320,592,955	7	921,569	1	113,000	9	103,306	2,697	11,227,989	186	660,895	-
2019	744	112,908,584	325	43,338,573	2,066	266,431,384	8	1,052,238	13	2,184,237	8	90,442	2,244	9,889,168	262	967,997	-
2020	452	71,206,650	618	91,870,998	1,257	169,602,690	8	960,274	42	6,311,600	2	25,850	1,596	8,215,267	196	749,410	-
2021	363	63,411,355	566	93,023,603	1,201	178,678,393	6	882,559	38	5,477,135	0	0	1,481	10,602,554	161	713,570	-
2022 ^b	111	19,232,057	167	28,681,066	359	54,756,042	1	99,900	0	0	0	0	494	3,857,160	45	197,297	-
Total	8,183	\$1,070,676,771	3,082	\$425,806,933	12,198	\$1,524,629,550	123	\$15,094,101	149	\$21,101,537	101	\$1,215,544	14,599	\$66,978,644	873	\$3,369,669	-
Outstanding ^c	3,253	\$386,409,432	2,163	\$291,516,471	7,704	\$889,278,501	72	\$7,617,896	103	\$13,562,683	31	\$264,954	7,375	\$27,724,956	717	\$2,792,463	-

^a Includes loans in federal target areas.

^b As of June 30, 2022.

^c Includes loans prior to 2009.

Inactive Programs - Outstanding Amounts*

Program	Loans	Amount
HOME	3,660	\$172,494,717
Zero Down	111	8,179,625
Neighborhood Advantage	32	1,137,198
HOME Plus	20	61,909
Milwaukee Advantage	1	34,715
Workforce Advantage	2	3,136
FHLBC Advantage	1	691
		\$181,911,991

*As of June 30, 2022.

APPENDIX X

2022 Median Family Income by County* and Federal Target Areas† (WHEDA Programs)

County	Median Income	County	Median Income
Adams	\$64,500	Marathon (Wausau†)	\$87,600
Ashland†	66,200	Marinette†	67,700
Barron†	74,000	Marquette†	71,300
Bayfield†	73,700	Menominee†	49,300
Brown (Green Bay†)	92,400	Milwaukee (City of Milwaukee†)	96,100
Buffalo	77,100	Monroe	79,700
Burnett†	68,800	Oconto†	80,200
Calumet	95,900	Oneida	80,600
Chippewa	90,000	Outagamie	95,900
Clark†	71,800	Ozaukee	96,100
Columbia	92,500	Pepin	78,700
Crawford†	73,100	Pierce	118,200
Dane (Madison†)	118,700	Polk (Clear Lake†)	79,800
Dodge	80,400	Portage	90,400
Door	82,300	Price	66,500
Douglas (Superior†)	89,000	Racine (City of Racine†)	89,500
Dunn	82,100	Richland	71,000
Eau Claire (City of Eau Claire†, Augusta†)	90,000	Rock (Beloit†, Janesville†)	81,200
Florence	71,600	Rusk†	64,700
Fond du Lac	97,200	St. Croix	118,200
Forest	61,000	Sauk	82,200
Grant	77,500	Sawyer†	67,400
Green	88,800	Shawano	76,400
Green Lake	77,000	Sheboygan (City of Sheboygan†)	84,600
Iowa	90,500	Taylor	73,200
Iron†	63,700	Trempealeau†	80,000
Jackson†	76,900	Vernon (La Farge†)	73,500
Jefferson	96,700	Vilas	66,100
Juneau†	71,600	Walworth	92,500
Kenosha (City of Kenosha†)	89,500	Washburn	73,100
Kewaunee	92,400	Washington	96,100
La Crosse (City of La Crosse†)	90,800	Waukesha (City of Waukesha†)	96,100
Lafayette	78,200	Waupaca	81,100
Langlade	69,100	Waushara	71,900
Lincoln	81,500	Winnebago	85,000
Manitowoc	86,500	Wood	76,200

*In some instances where data is provided for a metropolitan area rather than a county, the corresponding county was assigned this value. For example, Brown County was assigned Green Bay data.

† Some or all of the municipality is a designated target area of economic distress. For certain programs, income limits are adjusted to 140% of median income in these areas. In instances where a specific municipality is designated, it is listed in parentheses.

Notes:

- Income eligibility for certain WHEDA loans is based on provisions in the Internal Revenue Code, which generally specifies a limit of 115% of state or area median family income. Other adjustments under federal law may allow for higher income limits than suggested by data above. For county-specific income limits by WHEDA program, see WHEDA's website.
- Under the Section 8 programs, eligibility at 30%, 50% or 80% of median family income would apply to the levels above for a four-person household. Income thresholds are adjusted for households smaller or larger than four.

Source: U.S. Department of Housing and Urban Development